



### **III. Benefits and Income of Food Stamp Households**

The average monthly food stamp benefit in fiscal year 1996 was \$174. The majority (72.7 percent) of food stamp households received monthly benefits of over \$100, and 38.7 percent received over \$200 (Table 4). In fiscal year 1996, 80.8 percent of all benefits went to households with children, and 6.3 percent of all benefits went to households with elderly members (not shown).

The average monthly gross income of food stamp households was \$528 (Table 5). The majority of households (86.4 percent) received unearned income from one or more of the following sources: Aid to Families with Dependent Children (AFDC), General Assistance (GA), Social Security, Supplemental Security Income (SSI), Unemployment Compensation, or some other payment such as veterans benefits or educational loans. Over one-fifth of all households (22.5 percent) received earned income. About a tenth (10.2 percent) received zero gross income.

### **IV. Characteristics of Food Stamp Households by State**

In fiscal year 1996, over half of all food stamp households were located in eight states: California, Florida, Illinois, Michigan, New York, Ohio, Pennsylvania, and Texas (Table 6). The average monthly food stamp benefit varied by state, reflecting differences in income, expenses, household size, and composition. Average monthly benefits were largest in Alaska, Hawaii, Guam, and the Virgin Islands because the maximum allotment is set higher in those areas to accommodate higher costs of living. Within the contiguous United States, food stamp benefits were highest (greater than \$190) in Arizona, Louisiana, and Texas--states with below-average

gross household income and above-average household size. Conversely, average monthly food stamp benefits were lowest (less than \$150) in Connecticut, Minnesota, Nebraska, New Hampshire, and Vermont--states with above-average gross household income and below-average household size.

### **V. Change in Participation Over Time**

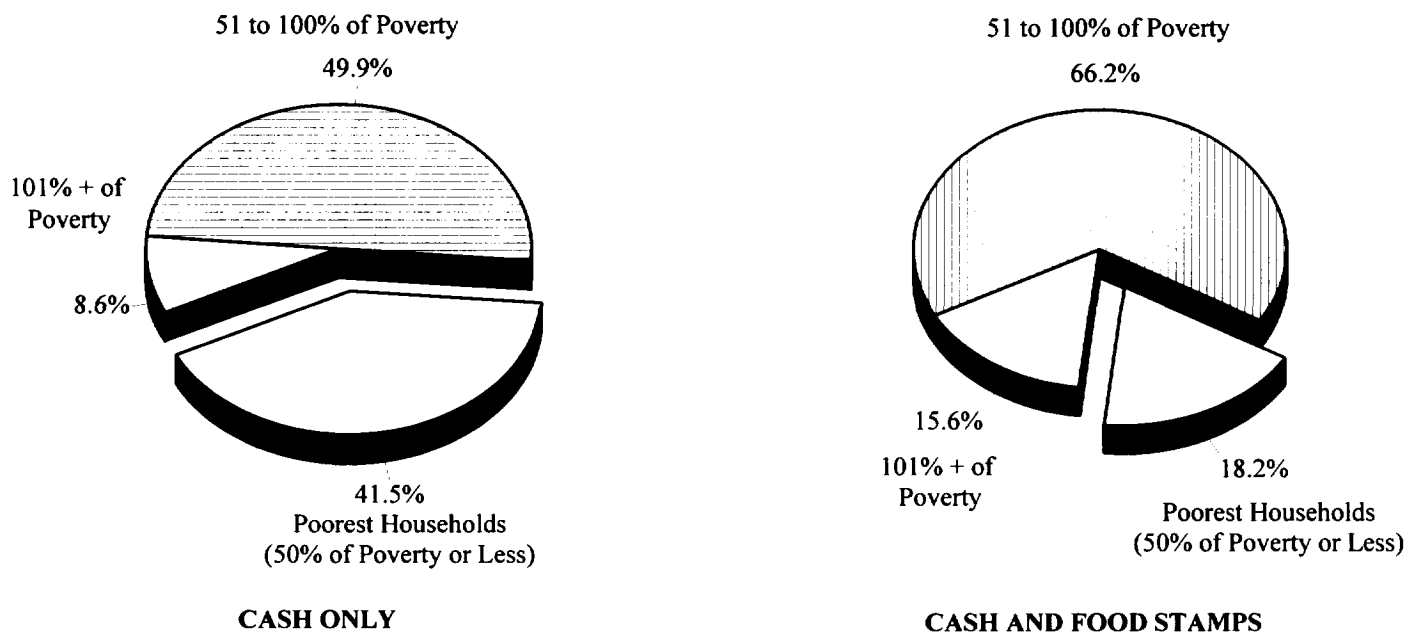
The number of persons participating in the FSP grew substantially between 1989 and 1994 and has declined steadily since 1994 (Figure 3). Specifically, the number of food stamp participants grew from 18.9 million persons in 1989 to a record high of 28.0 million in March 1994 and has decreased to 22.1 million in June 1997. The change in the number of Food Stamp Program participants is associated with changes in the economy, as indicated by the number of unemployed persons and the number of persons living in poverty. For example, Figure 3 shows that the surge in FSP participation between 1989 and 1994 was associated with a worsening economy, and the drop in participation since 1994 has been associated with an improving economy.

The changes in program participation have been accompanied by changes in the composition of the caseload (Table 7). Although households with children remain a large proportion of the caseload, that proportion has dropped from a high of 62.2 percent in 1992 to 59.5 percent in 1996. On the other hand, the proportion of households with elderly has risen slightly from a low of 15.4 percent in 1992 to 16.2 percent in 1996. However, the most substantial change in caseload composition has been the dramatic rise in the proportion of participating households with disabled persons, rising from a low of 8.9 percent in 1990 to 12.5 percent in 1994, and from 18.9 percent in 1995 to 20.2 percent in 1996.<sup>2</sup>

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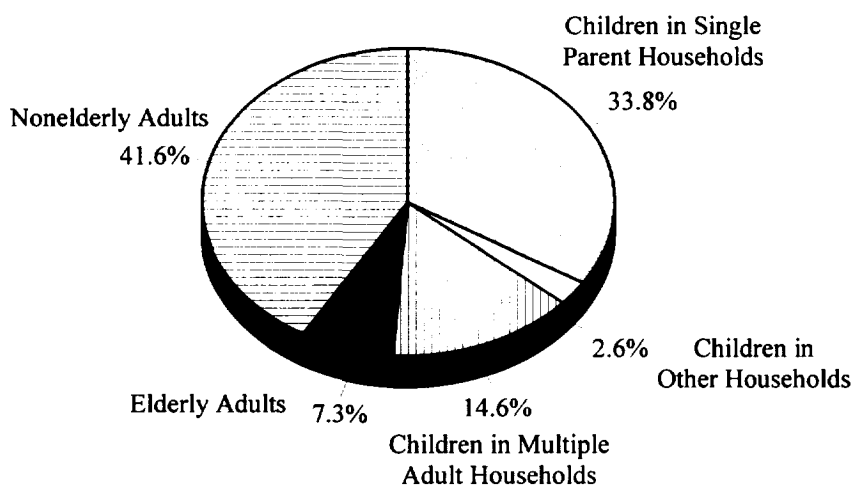
**FIGURE 1**

**POVERTY STATUS OF FOOD STAMP HOUSEHOLDS  
WITH AND WITHOUT FOOD STAMPS, 1996**



**FIGURE 2**

**DISTRIBUTION OF FOOD STAMP PARTICIPANTS, 1996**



Source: 1996 Food Stamp Quality Control sample.

## **VI. Description of the Food Stamp Program**

The FSP is unique among income maintenance programs in two important ways. First, it offers assistance to nearly all financially needy households, regardless of almost any nonfinancial categorical criteria. Second, instead of cash, it provides benefits in the form of coupons or electronic benefits which can be redeemed for food in any of about 200,000 authorized stores across the nation. The cost of providing food stamps to needy persons is funded fully by the federal government. Administrative costs are shared by federal, state, and local governments.

**Eligibility.** To be eligible for food stamps, a household's assets, gross income, and net income, which is based on gross income less deductions permitted under the FSP, must not exceed specified levels that vary by household size, composition, and location. In addition, able-bodied members of the food stamp unit are required to register for work, and some are then required to participate in an employment and training program as a condition for receiving food stamps.

**Food Stamp Benefit Computation and Issuance.** Benefits are computed by subtracting 30 percent of a household's net income from the maximum benefit amount, which is based on 103 percent of the June cost of the Thrifty Food Plan (TFP) for a family of four, adjusted for household size and location. The TFP is based on the cost of a market basket of food that provides an economical and nutritious diet. In fiscal year 1996, the maximum benefit for a family of four in the contiguous United States was \$397 per month. Program participants receive their monthly benefits through the mail, directly from the local

office, or through an electronic benefit transfer (which is similar to a bank card).

**Changes Under PRWORA.** The Food Stamp Program (FSP) has undergone major changes since the end of fiscal year 1996 due to the passage of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (PRWORA). This legislation, enacted August 22, 1996, makes the following significant modifications to the FSP:

- Most legal permanent resident aliens are disqualified from the FSP.
- Most able-bodied, nonworking, childless adults are limited to 3 months of FSP benefits in any 36-month period.
- The maximum food stamp benefit is reduced from 103 percent to 100 percent of the Thrifty Food Plan.
- The standard deduction is frozen indefinitely at fiscal year 1996 levels.
- New shelter deduction caps are established for fiscal years 1997 through 2001, with the cap frozen at fiscal year 2001 levels thereafter.

Because most of these changes were not in effect in fiscal year 1996, they are not reflected in this report. Specifically, FSP participation counts include individuals who participated in fiscal year 1996 but will be disqualified under PRWORA, and discussions of program eligibility and benefit computation rules refer to the status of rules in these areas in fiscal year 1996. Future reports in this series will incorporate descriptions of the PRWORA rules as they are implemented.<sup>1</sup>

## VI. Data

The estimates presented here are based on data extracted from the Integrated Quality Control System, which is an ongoing review of food stamp households designed to measure the accuracy with which eligibility and benefit determinations are made. All estimates are based on a full-year sample of 50,883 households.

Food and Consumer Service administrative records indicate that the FSP served 25.5 million persons in fiscal year 1996, and food stamp households received an average benefit of \$178 per month. The figures in the attached tables of 25.9 million participants with an average household benefit of \$174 vary from the administrative figures because they are estimates from the Food Stamp Quality Control sample, which weights data by households rather than persons or benefits. Administrative figures are based on a monthly census of actual FSP participation and benefit issuance.

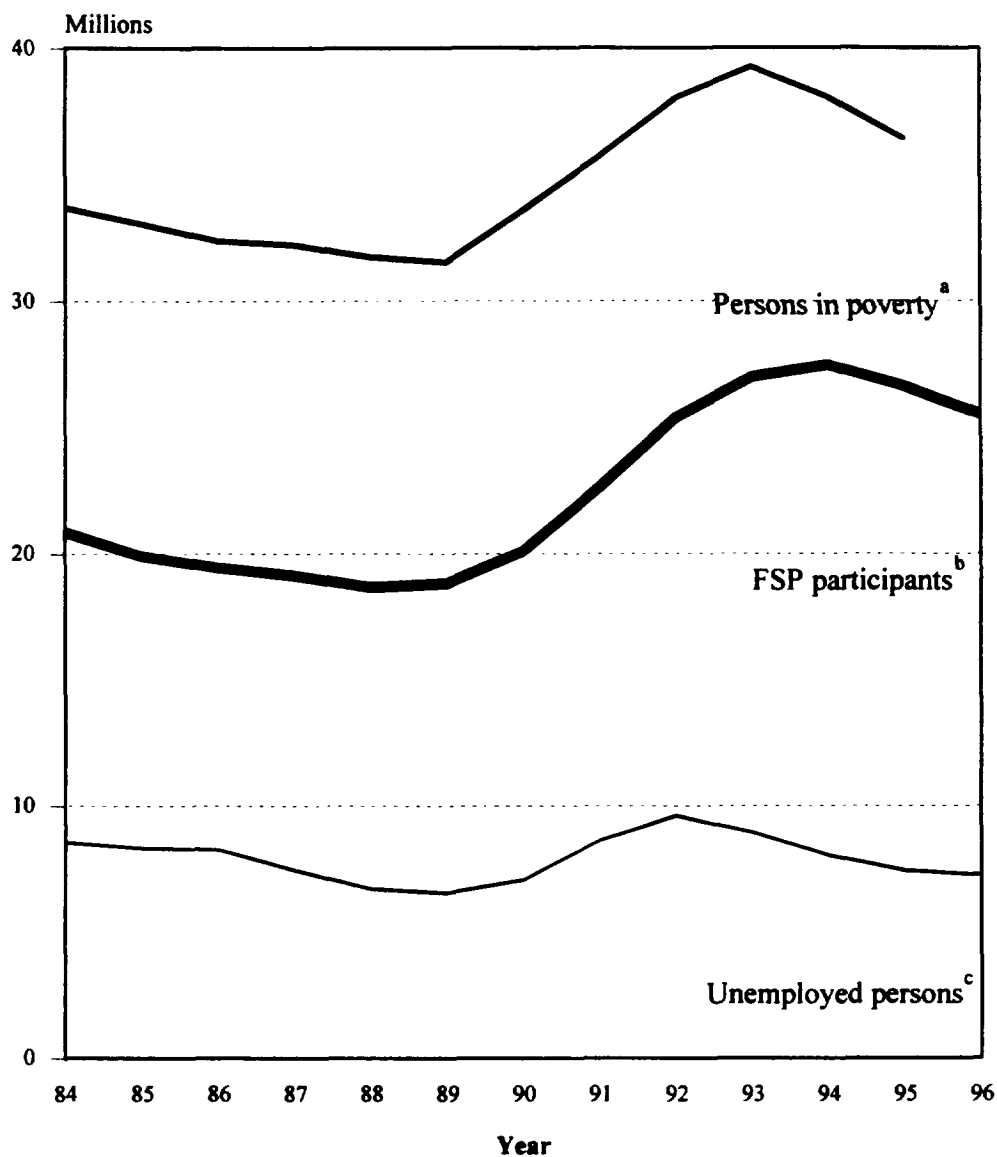
## Notes

<sup>1</sup>A summary of PRWORA provisions that affect the FSP is available from the FCS World Wide Web site. For more details on how the alien and able-bodied provisions of PRWORA impact the FSP, consult *Characteristics of Childless Unemployed Adult and Legal Immigrant Food Stamp Participants: Fiscal Year 1995*, U.S. Department of Agriculture, Food and Consumer Service, Office of Analysis and Evaluation: 1997.

<sup>2</sup>The 1994-to-1995 increase in the proportion of households with disabled persons is due in part to a change in the definition of households with disabled persons. However, using the old definition, the proportion with disabled still increases from 12.5 percent to 13.3 percent.

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FIGURE 3  
FOOD STAMP PROGRAM PARTICIPANTS,  
UNEMPLOYED PERSONS, AND POOR PERSONS



<sup>a</sup>Annual values. The number of persons in poverty in Fiscal Year 1996 was not available when this report went to print. Source: Bureau of the Census, Poverty in the United States: 1995, Series P60-194.

<sup>b</sup>Average monthly values. Source: Food and Consumer Service, Fiscal Years 1984-1996 FSP Participation and Issuance.

<sup>c</sup>Average monthly values. Source: Economic Report of the President, 1997 Table B-36.

Table 1 – Selected Characteristics of Participating Food Stamp Households, 1996

Household type	Participating households		Average monthly values (dollars)			Average household size (persons)
	Number (thousands)	Percent	Food stamp benefit	Gross income	Net income	
<b>Total</b> .....	10,552	100.0	174	528	275	2.5
<b>Children</b> .....	6,280	59.5	237	613	335	3.3
Single-parent households .....	4,319	40.9	230	537	269	3.0
Multiple-adult households .....	1,603	15.2	270	877	555	4.5
Other .....	358	3.4	170	352	148	2.0
<b>Elderly</b> .....	1,710	16.2	68	561	303	1.4
Living alone .....	1,302	12.3	49	505	250	1.0
Not living alone .....	409	3.9	128	740	473	2.5
<b>Disabled</b> .....	2,131	20.2	107	665	401	2.1
Living alone .....	1,114	10.6	53	512	237	1.0
Not living alone .....	1,016	9.6	167	833	580	3.4
<b>Other</b> .....	1,567	14.9	121	170	42	1.1
Single-person .....	1,377	13.0	112	142	28	1.0
Multiple-person .....	191	1.8	190	373	142	2.1

Source: 1996 Food Stamp Quality Control sample.

Table 2 – Gender and Age of Food Stamp Participants, 1996

Age	All participants		Female		Male	
	Number (thousands)	Percent	Number (thousands)	Percent	Number (thousands)	Percent
Total .....	25,926	100.0	15,373	100.0	10,549	100.0
Children (0-17) .....	13,214	51.0	6,573	42.8	6,639	62.9
0-4 .....	4,815	18.6	2,404	15.6	2,410	22.8
5-17 .....	8,399	32.4	4,170	27.1	4,229	40.1
Adults (18 or more) .....	12,678	48.9	8,782	57.1	3,896	36.9
18-35 .....	6,385	24.6	4,702	30.6	1,683	16.0
36-59 .....	4,397	17.0	2,725	17.7	1,672	15.8
60 or more .....	1,895	7.3	1,354	8.8	541	5.1
Unknown .....	34	0.1	18	0.1	15	0.1

Source: 1996 Food Stamp Quality Control sample.

Table 3 – Race/Ethnicity of Food Stamp Participants, 1996

Race	Participants	
	Number (thousands)	Percent
Total .....	25,926	100.0
White, Non-Hispanic .....	10,604	40.9
African-American, Non-Hispanic .....	8,759	33.8
Hispanic .....	5,007	19.3
Asian .....	767	3.0
Native American .....	356	1.4
Other .....	433	1.7

Source: 1996 Food Stamp Quality Control sample.



**Table 4 -- Monthly Food Stamp Benefits of Participating Food Stamp Households, 1996**

Monthly food stamp benefit	Participating households	
	Number (thousands)	Percent
Total .....	10,552	100.0
\$0-50 .....	1,641	15.5
\$51-100 .....	1,241	11.8
\$101-150 .....	2,464	23.4
\$151-200 .....	1,117	10.6
\$201-250 .....	1,560	14.8
\$251-300 .....	816	7.7
\$301 + .....	1,713	16.2

Source: 1996 Food Stamp Quality Control sample.

**Table 5 -- Selected Economic Characteristics of Participating Food Stamp Households, 1996**

Income source	Participating households		Persons in households with source		Average income (dollars)		Average food stamp benefit (dollars)	Average household size (persons)
	Number (thousands)	Percent	Number (thousands)	Percent	Gross	From source		
Total .....	10,552	100.0	25,926	100.0	528	(n/a)	174	2.5
Earned income .....	2,379	22.5	7,900	30.5	865	699	191	3.3
Wages and salaries .....	2,205	20.9	7,391	28.5	887	725	189	3.4
Self-employment .....	157	1.5	495	1.9	636	325	220	3.1
Other earned income .....	44	0.4	117	0.5	656	298	170	2.6
Unearned income .....	9,119	86.4	23,106	89.1	582	429	173	2.5
Aid to Families with Dependent Children .....	3,866	36.6	12,459	48.1	536	370	244	3.2
General Assistance .....	677	6.4	1,042	4.0	393	262	128	1.5
Supplemental Security Income .....	2,538	24.1	4,874	18.8	625	368	97	1.9
Social Security .....	2,034	19.3	3,401	13.1	620	463	81	1.7
Unemployment .....	196	1.9	588	2.3	714	488	177	3.0
Other unearned income .....	2,568	24.3	7,669	29.6	707	128	190	3.0
No Income .....	1,078	10.2	1,733	6.7	0	0	177	1.6

Source: 1996 Food Stamp Quality Control sample.

Table 6 -- Selected Characteristics of Participating Food Stamp Households by State, 1996

State	Total (thousands)	Percent of all households	Average monthly amount					Average house- hold size (persons)
			Food stamp benefit (dollars)	Gross income (dollars)	Net income (dollars)	Total deduction (dollars)	Countable assets (dollars)	
Total .....	10,552	100.0	174	528	275	287	93	2.5
Alabama .....	204	1.9	187	506	276	279	62	2.6
Alaska .....	16	0.1	284	852	548	370	83	3.1
Arizona .....	159	1.5	202	494	246	287	66	2.7
Arkansas .....	109	1.0	168	549	326	258	143	2.6
California .....	1,169	11.1	187	589	336	286	119	2.8
Colorado .....	101	1.0	175	543	258	320	57	2.4
Connecticut .....	100	0.9	138	599	333	282	112	2.2
Delaware .....	21	0.2	188	509	246	309	75	2.5
Dist. of Col. ....	42	0.4	169	399	215	218	16	2.2
Florida .....	590	5.6	181	501	238	299	126	2.4
Georgia .....	323	3.1	179	520	270	288	91	2.5
Guam .....	6	0.1	378	524	226	390	128	3.0
Hawaii .....	59	0.6	274	591	322	303	154	2.1
Idaho .....	30	0.3	176	576	322	294	207	2.6
Illinois .....	470	4.5	173	445	225	260	74	2.3
Indiana .....	155	1.5	172	539	299	275	127	2.5
Iowa .....	74	0.7	154	577	318	285	88	2.4
Kansas .....	72	0.7	159	562	304	285	113	2.4
Kentucky .....	186	1.8	167	526	332	227	95	2.6
Louisiana .....	256	2.4	198	487	262	264	68	2.7
Maine .....	61	0.6	150	563	248	350	87	2.1
Maryland .....	165	1.6	187	443	213	267	25	2.4
Massachusetts .....	163	1.5	150	604	305	316	85	2.3
Michigan .....	409	3.9	166	524	249	314	64	2.3
Minnesota .....	128	1.2	149	586	329	282	188	2.4
Mississippi .....	179	1.7	168	511	300	243	111	2.5
Missouri .....	233	2.2	169	522	283	273	115	2.4
Montana .....	29	0.3	168	592	328	291	187	2.6
Nebraska .....	42	0.4	146	608	357	276	235	2.4
Nevada .....	46	0.4	168	503	245	304	52	2.3
New Hampshire .....	23	0.2	135	590	365	253	166	2.3
New Jersey .....	233	2.2	184	481	198	314	37	2.3
New Mexico .....	87	0.8	181	562	339	248	104	2.8
New York .....	984	9.3	162	555	224	361	23	2.2
North Carolina .....	265	2.5	155	553	319	263	130	2.4
North Dakota .....	16	0.2	162	556	265	320	364	2.3
Ohio .....	459	4.4	152	513	283	258	97	2.2
Oklahoma .....	147	1.4	168	494	272	268	73	2.4
Oregon .....	135	1.3	150	497	264	280	191	2.2
Pennsylvania .....	493	4.7	163	515	250	301	106	2.3
Rhode Island .....	39	0.4	161	541	277	289	106	2.3
South Carolina .....	140	1.3	171	517	312	236	105	2.6
South Dakota .....	18	0.2	187	534	259	319	278	2.6
Tennessee .....	274	2.6	157	506	285	259	143	2.3
Texas .....	885	8.4	205	488	263	270	63	2.8
Utah .....	42	0.4	174	582	324	293	160	2.6
Vermont .....	26	0.2	138	643	364	302	177	2.3
Virgin Islands .....	8	0.1	334	448	261	221	77	3.2
Virginia .....	235	2.2	161	510	278	265	127	2.3
Washington .....	206	2.0	176	531	253	307	71	2.4
West Virginia .....	121	1.1	163	521	307	245	67	2.4
Wisconsin .....	106	1.0	162	660	392	291	151	2.7
Wyoming .....	13	0.1	184	551	292	297	188	2.6

Source: 1996 Food Stamp Quality Control sample.

**Table 7 – Selected Characteristics of Food Stamp Households Over Time  
Fiscal Year 1989-Fiscal Year 1995**

Fiscal Year	Total		Children		Elderly		Disabled
	Participants (thousands)	Households (thousands)	Children (percent of all participants)	Households with children (percent of all)	Elderly (percent of all participants)	Households with elderly (percent of all)	Households with disabled (percent of all)
1996	25,926	10,552	51.0	59.5	7.3	16.2	20.2
1995	26,955	10,883	51.5	59.7	7.1	16.0	18.9 <sup>c</sup>
1994	28,009	11,091	51.4	61.1	7.0	15.8	12.5
1993	27,595	10,791	51.5	62.1	6.8	15.5	10.7
1992 <sup>b</sup>	25,743	10,049	51.9	62.2	6.6	15.4	9.5
1991 <sup>b</sup>	22,963	8,855	52.0	60.4	7.0	16.4	9.0
1990 <sup>b</sup>	20,411	7,803	49.6	60.3	7.7	18.1	8.9
1989 <sup>a,b</sup>	18,925	7,209	49.8	60.4	8.2	19.3	9.1

<sup>a</sup>Full year analysis files were not developed for the years prior to 1989.

<sup>b</sup>Prior to fiscal year 1993, food stamp cases from Guam and the Virgin Islands were excluded from the analysis files.

<sup>c</sup>Beginning In 1995, disabled households are defined as households with at least one member under age 65 who received SSI, or at least one member age 18 to 61 who received Social Security, veterans benefits, or other government benefits as a result of a disability. For years prior to 1995, disabled households are defined as households with SSI but no members over age 59. The substantial increase in the percentage of households with a disabled member between 1994 and 1995 is due in part to the change in the definition of disabled households. Using the previous definition, 13.3 percent of households included a disabled person in fiscal year 1995.

Source: Food Stamp Quality Control samples.